

Ross store scared from SC

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SANTA CRUZ — Bums hanging around the intended site of their new store and fear of cannibalizing their Capitola store scared Ross store executives away from plans to locate in downtown Santa Cruz, according to property owner Andrew Duncan.

"The president of the company made a visit to the site and saw the encampment," said Duncan of a group of people hanging around on Pacific Avenue in downtown Santa Cruz. "That was it."

"That was one of the reasons they gave. The other was that they were concerned about cannibalizing the other store," said Duncan.

Despite signed letters of intent, Duncan said he was notified with a telephone call earlier this week that the clothing discount store chain was backing out of the deal and that discussions were over.

The Ross store was the first major retail store seeking to locate downtown since the Loma Prieta quake five years ago. The company planned to locate in a two-story

Ross store

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building at the corner of Pacific Avenue and Cathcart Street, in the former Ford's department store location.

Duncan, a Palo Alto insurance businessman and developer whose family has owned the site for about four decades, had proposed building a \$3 million, two-story store with 30,800 square feet. That would be slightly larger than the Ross Store in Capitola.

At Duncan's request, the Santa Cruz City Council granted concessions on parking fees and height requirements to benefit Ross and ensure the move downtown.

Council members saw the store's plans as proof that the downtown had regained enough stature to attract a national retailer, the first since the quake destroyed 30 buildings, including Ford's.

Duncan said he thought Ross's was a done deal.

"I would not have gone in front of the City Council to make this presentation had I not felt it was virtually a sure thing," he said.

Not only was Duncan surprised, so was Capitola Ross store manager Don Little.

"What happened?" he asked Friday.

Little said Ross store president Mel Wilmore assured him the Santa Cruz store was a go when he

visited the Capitola store April 1. Wilmore was going to visit the Santa Cruz site later in the day, Little said.

Pulling business away from the Capitola store was not a major concern at that time, Little said. "It would take some off here, but overall for the company, it was a gain."

However, Wilmore's visit to the downtown site apparently was not pleasant, said Duncan. Duncan said Wilmore's reaction to other Ross executives after looking around at the active street scene was, "Are you guys crazy?"

Ross executives did not return calls from the Sentinel.

In recent years, the location where the store would have gone has become a hangout for youth and panhandlers. It also is where Food Not Bombs sets up a food giveaway. On Wednesday, when the Farmer's Market is held downtown, the site is a crowded with people, many drawn by the free food.

This past week, the Farmer's Market moved around the corner, off Pacific Avenue. But the Food Not Bombs operation stayed.

The Ross executive's visit came three weeks before the city's so-called panhandling city ordinances took effect April 22. Among other things, the ordinances prohibit sitting on sidewalks and aggressive panhandling.

Since the City Council approved the ordinances, problems with people hanging out downtown have largely disappeared, according to Santa Cruz police.

The exception was last Saturday, when a rally was held to protest the ordinances. The protesters gathered on the site of the planned Ross store.

Regardless of whether the downtown ordinances have an impact on dispersing the street crowds, Duncan said it was too late for his deal with Ross.

"It's dead," he said. Duncan said his family was "still committed to bringing a major tenant downtown."

"We're reviewing our options having discussions with other tenants of the Ross caliber," he said.

City officials also were disappointed by the news. The Ross store would have brought an estimated \$80,000 in sales tax revenue to the city based on \$8 million annual sales and would have attracted other retailers.

"We would have really liked to have them here. It would have been good," said Councilman Neal Coonerty.

Coonerty noted the City Council had done everything asked of it to smooth Ross's way. "It's a disappointment, but downtown is continuing to rebuild at a nice pace," he said.